



Meeting Minutes – Mtg #1

To: HJR #28 Study Participants
From: Russ Katherman
CC:
Date: August 8, 2003
Re: Studying “Best Value” Construction Contracting for Public Works
Minutes from Meeting #1 held on July 23, 2003

Location: State Capitol Building, Room 102 from 10:00 a.m. to 4 p.m.

Study Participants Present: Kevin Krebsbach, Kathleen Stratton, Jay Skoog, Chuck Hanson, Jim Whaley, Gus Files, Rep. Michael Lange, Bob Vogel, Tom O’Connell, Mike Radke, Marty Schuma, Neil Westesen, Jeanne Wolf, Dal Smilie, Clark LLeuwellyn, Bob Lashaway, Cary Hegreberg, Bob Throssell, Russ Katherman

The following list identifies Directives from the Study Participants to date (Directive # and date given).

Directives

D1- No directives at this time.

Actions

The following list identifies Action Items from the Study Participants to date (Directive # and date given).

Action Items	Who	Due Date	Date Accomplished
A1 – 07.23.03 Develop core issues for data gathering and research for decision making.	A&E	08/15/03	
A2 – 07.23.03 Research potential of presenting HJR #28 at associations and organization meetings to keep people informed.	A&E	on-going	
A3 – 07.23.03 Identify core group for interim draft discussion.	All	Prior to 2 nd meeting	
A4 – 07.23.03 Analyze schedule for revisions and need to reduce time prior to 2 nd meeting.	A&E	08/15/03	

Meeting Minutes

1. Katherman presented HJR #28 and the goals of the study. Rep. Lange presented his purposes behind sponsoring the resolution and the previous bills he had introduced to the legislature.

2. Katherman presented the meeting agenda and proceeded into a brief layout of current statute requirements and MT Supreme Court decisions.
3. Discussion was had concerning how the current legal requirements were implemented and used among the various public entities and the contracting community. General consensus was the design-bid-build process is generally working (since it is only thing available) but other options would be more beneficial and provide flexibility. Not all members of the contractor community want a departure from low-bid as it is seen to be the most “objective” in determining award of projects. Suggestions were made that a qualification-based selection process would be a good approach. It is believed the design community would support a QBS selection process.
4. 1st goal of the study: define “Best Value.”
 - For the Public Owner –
 - Scope, Time, and Budget all vary on a per project basis in determining what is the best value for the owner.
 - It would be the best process for the immediate term of construction and for future use of what is constructed.
 - Can be price, shortest delivery, quality of construction, qualified contractor, quality sub-contractors.
 - Least likely to end in litigation.
 - For A/E Profession –
 - Team approach to project (difficult in low bid process)
 - Contractor on-board early in design adds benefit to the design
 - Reduced liability through other than low bid
 - Reduce administrative time through qualified contractor and teamwork approach
 - Maintain design integrity/intent
 - For Contractors & Sub-Contractors –
 - Early involvement in design has benefits
 - Increased teamwork, avoid adversarial relationships
 - Time is a large factor (less the better)
 - Winning award of the project
5. 2nd goal of the study: what is a “fair, equitable, and objective selection process?”
 - For Public Owners –
 - Clear scope and criteria are vital
 - Process open to everyone
 - Lack of political pressure
 - Detailed criteria for selection and/or scoring
 - Evaluations/scoring are public meetings
 - Pre-screening process for minimum criteria to submit an RFP (i.e. RFQ, 2-step process)
 - Drawing a line of “responsible” for those below it aren’t considered
 - For A/E Professionals –
 - Selected prior to contractor is preferable (negates some D/B relationships)
 - Help the client select the best contractor
 - Political decisions unfair to qualified firms
 - For Contractors & Sub-Contractors –
 - No past violations of statute to be considered
 - Process open to public
 - Factors for selection clear and fact-based
 - Define, Communicate, Score the criteria
 - Same criteria for everyone
 - Proprietary/confidential info protection issue (e.g. trade secret – costing factors)
6. 3rd goal of the study: who are “qualified members of selection panels?”
 - For Public Owners:
 - Knowledgeable of design and construction
 - Try to be politically-disconnected but aware of its existence
 - Agency/user representatives
 - Adequate number of participants to validate scoring
 - Adequate time and willingness to participate
 - Final selection separated from panel similar to A/E appointment?
 - For A/E Professionals:
 - Leave it to the local, RFP development group to evaluate, score, and select

- For Contractors & Sub-Contractors :
 - Local, personal connections to respondents a concern
 - But, teamwork is critical so involvement of project people in the selection is important
 - Knowledgeable members able to make informed decisions/recommendations
- 7. 4th goal of the study: what is the “most cost-effective project possible?”
 - For Public Owners, A/E Professionals, and Contractors:
 - See “best value” definition
- 8. Areas from which to pull data and gather resources:
 - For Public Owners, A/E Professionals, and Contractors:
 - Use other state statutes/guidelines
 - Private publications
 - Construction industry associations
 - Federal criteria (FAR, COE)
 - Look at HB #473, 58th Session
- 9. A schedule for completion of the study was discussed with the following recommendations:
 - Schedule was generally accepted without much comment.
 - Investigate the potential need of a meeting inserted prior to that presently scheduled for #2 or move it up to a sooner date.
- 10. Group adjourned at 3:00 p.m.

END OF MINUTES